

From: "Paul Withey" <pwithey@tbacu.org> on 10/04/2007 12:05:03 PM

Subject: Truth in Lending

To: Board of Governors of the Federal Reserve System

REF: Docket No. R-1286

Date: October 4, 2007

Dear Sir:

Texas Bay Area Credit Union located in Pasadena, TX, objects to the Regulation Z proposed changes that affect multi-featured open-ended lending rules.

The current multi-featured open-ended lending rule has been in operation for more than 25 years and has worked well. Changing the system may cause disruptions and significant changes to our current lending practices and lending relationships with our member-owners. Our member-owners have relied on this method of lending from us for several years for the financing of their loans.

The current flexibility of the system allows for faster processing and disbursement of lending requests. One aspect of our lending operation is to be an alternative to predatory pay-day-lending institutions. Our ability to quickly process and disburse these types of loan requests saves our member-owners from having to pay significantly higher finance charges and quickly receive the funds they desperately need.

Under the current system, our member-owners receive adequate disclosures and rely on this system of lending. Changes to the system will create more unnecessary paperwork, cost a significant amount of money to implement, which most likely will be passed on to our member-owners in the form of higher interest rates, and will significantly increase processing time.

From a consumer and financial institution standpoint, we are unsure why change in the current system is necessary. From our perspective, these proposed changes seem like a solution in search of a problem.

Again, Texas Bay Area Credit Union objects to the Regulation Z proposed changes that affect multi-featured open-ended lending rules.

Sincerely,

Paul Withey
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